

## TRANSPORTATION SECURITY ADMINISTRATION

SUBJECT: Transportation Security Executive Service (TSES)  
Performance Management System

This plan is effective immediately and applies to the FY 2003 rating period (10-01-2002 to 9-30-2003).

**1. PURPOSE:** This issuance sets forth policies for appraising the performance of employees in the Transportation Security Executive Service (TSES).

**2. POLICY:** All TSES executives are covered by the performance management system described in the directive. The TSES Performance Management System is an integral part of the management process, and will be used to accomplish basic performance management responsibilities by: communicating and clarifying agency mission, goals, objectives, and priorities; holding executives accountable for organizational accomplishment, as well as individual achievement; evaluating individual and organizational accomplishments against critical elements of a position; and using the results of the performance appraisal as a basis for bonuses and other personnel decisions such as training, reassignment, transfers, retention, reduction in force, or removal.

**3. GUIDELINES:** Each executive shall be accountable for both individual and organization performance taking into account such factors as: (1) improvements in efficiency, productivity, and quality of work or service; (2) cost efficiency and timeliness of performance; (3) other indications of the effectiveness, productivity and performance quality of the employees for whom the senior executive is responsible; and (4) meeting Equal Employment Opportunity requirements.

Each senior executive shall have a Performance Plan which consists of two critical performance areas: (1) Program/Mission Objectives, and (2) Executive/Managerial Competencies, with defined performance standards of Meets Expectations. The Performance Plan describes expectations in achieving organizational priorities, goals, executive and managerial responsibilities and results or actions necessary to receive a rating of Meets Expectations. Performance evaluations must use balanced measures that consider organizational results with customer satisfaction and employee perspectives.

An individual TSES performance plan is established annually for each member of the TSES.

(a) TSES performance plans are developed cooperatively between the rating official and the executives being appraised. However, final authority for establishing the plan rests with the supervisory official.

(b) The appraisal period is October 1 through September 30. The minimum appraisal period is 60 days. The rating official is the TSES member's immediate supervisor.

(c) The rated executive will be given an opportunity to respond to the initial rating in writing. The executive has the right to request a higher-level review of the initial rating by a Reviewing Official. The reviewing official is the next higher-level official above the rating official in the organization. The initial rating, along with any written response by the executive and the reviewer's comments, shall be reviewed by the Performance Review Board (PRB). Recommendations of the PRB are considered by the Administrator in arriving at a final rating which becomes the written rating of record.

(d) The Performance Review Board will consider the initial rating and award recommendations; review all documentation, including any written response by the executive being rated and any comments by the higher-level reviewing official; conduct whatever additional review it deems necessary; and make written recommendations to the appropriate deciding officials regarding final performance ratings of record and the awarding of performance bonuses.

(e) The Administrator (or the Deputy Administrator, Chief of Staff, Associate Administrator – COO, or the Associate Administrator –CSSO, acting on behalf of the Administrator) is the designated appointing authority for TSES performance appraisal purposes and is the responsible official who assigns the “final rating” for all TSES members.

#### **4.CRITICAL PERFORMANCE AREAS**

Executives must be appraised on Performance Area 1 and Performance Area 2.

##### **(a) CRITICAL PERFORMANCE AREA 1: PROGRAM/MISSION OBJECTIVES**

Any major or significant aspect of the job for which measurable performance requirements can be developed is described in the executive's performance agreement (i.e. directs the production and improvement of specific products, deliverable, programs, and services which flow out of the organization's annual plan and the Administrator's annual priorities.

The executive must also be appraised on the following objective:

##### **(b) CRITICAL PERFORMANCE AREA 2: EXECUTIVE/MANAGERIAL COMPETENCIES**

There are three competencies:

***Management/Business Practices*** – ensures effective implementation of strategic planning, equal employment opportunity, safety, human resources management, management controls, process improvement, customer orientation, program measurement and analysis, and problem solving.

***Leadership*** – promotes communication, workforce effectiveness, partnership and collaboration, diversity, team building/teamwork, and employee development policies and guidance.

***Organizational Effectiveness*** – supports the vision of a Model Workplace which will build and continuously foster a diverse and inclusive workplace culture based on mutual respect, fairness, open communication and cooperation and will provide TSA employees with the skills and processes that support these values. The Workplace will embody this principle: “*Communication plus Cooperation plus Conflict Management yields confidence in ourselves, in each other and from the public*”.

**5. RATING THE EXECUTIVE’S PERFORMANCE:** Performance appraisals shall be completed annually on all senior executives. The same three rating levels will be used to provide a summary rating for each critical performance area, and will be used to assign an overall summary rating. These rating levels are listed below, and include the definitions for determining overall summary rating levels:

***Level 3 –Meets Expectations*** – Performance expectations for both critical performance areas are fully met. The Meets Expectations performance is essential and important to TSA because organizational goals and objectives cannot be attained efficiently and effectively without at least this level of effort.

***Level 2 – Needs Improvement*** – Performance in one critical performance area was rated at the “Needs Improvement” level and the other was not less than the “Needs Improvement” level. The quality and quantity of the employee’s work and work products are below the level expected; however, unlike “Fails to Meet” performance, the very minimum requirements of effort and achievement are met at this level.

***Level 1 – Fails to Meet*** – Performance in at least one critical performance area was rated at the “Fails to Meet” level.

**6. TIMING OF PERFORMANCE APPRAISALS:** Appraisal of performance and preparation of a rating must be properly documented for all senior executives. The TSES appraisal period is October 1 to September 30. The annual appraisal and rating of record will take into account all interim ratings received during the appraisal period.

All TSES members who have served at least the minimum appraisal period (60 days) must be rated. If an executive has not served the minimum 60-day appraisal period but has served for at least the minimum appraisal period outside TSA, the rating supervisor must make a reasonable effort to prepare a rating using appraisal information from the executive’s former organization.

An executive who changes positions during an appraisal period must be given an interim rating of performance in the old position if the period of service in the former position was 60 days or more.

**7. INITIAL RATING:** At the end of the appraisal period, following discussion with the executive and review of any supportive documentation, the rating official assigns a rating to each of the performance elements for the two critical performance areas; prepares a brief narrative description of the executive's actual performance for each critical area; and assigns a summary rating of Meets Expectations, Needs Improvement or Fails to Meet for both critical areas in the executive's performance plan, unless the executive had insufficient opportunity to demonstrate performance in the element during the appraisal period. Elements of the performance areas not rated due to lack of opportunity to perform are not considered in determining a summary rating level.

Based on the summary rating assigned to each of the critical performance areas, the rating official will then assign an overall summary rating using the rating levels listed above.

- (a) If performance is rated Meets Expectations for all performance elements assign a summary rating of Meets Expectations.
- (b) If performance is rated Needs Improvement for one or more of the individual performance elements and Meets Expectations for all remaining elements, assign the summary rating of Needs Improvement.
- (c) If performance is rated Fails to Meet for one or more of the individual performance elements assign the summary rating of Fails to Meet.

**8. PROGRESS REVIEWS:** Rating officials must hold at least one progress review with subordinate executives during the performance year. If only one progress review is done it should occur at approximately the mid-point of the appraisal cycle. The progress review will inform executives of their level of performance by comparing their accomplishments to the established performance requirements; identify any performance weaknesses and provide the executive the opportunity to improve; and ascertain whether the performance elements contained in the performance plan are current and applicable, or whether they should be revised to reflect changes in mission, goals objectives, organization, budget, administration, or statutory requirements. The progress review must be documented on the Performance Plan.

**9. CONSEQUENCES OF SUMMARY RATINGS:** If a Needs Improvement rating is contemplated the rating official must develop a proposed performance improvement plan. The plan could include any of the following options:

- (a) Providing assistance such as formal training, on-the-job training counseling, closer supervision and /or a detail assignment, restructuring the job, reassignment within the TSES.
- (b) The rating official submits the proposed performance improvement plan with the TSES Performance Plan for concurrence by the PRB.

(c) If the rating official is contemplating a rating of Fails to Meet, he/she must develop a proposed performance improvement plan. This plan could include:

- Reassignment within the TSES
- Removal from the TSES
- The rating official submits the proposed performance improvement plan with the TSES Performance Plan for concurrence by the PRB.

**10. TSES AWARDS AND RECOGNITION:** TSA has the option, but is not obligated, to grant special recognition, awards, and incentive payments to TSES members to recognize, reward and motivate highly competent executives. These payments and forms of recognition include: performance awards (bonuses), or pay increases.

To recommend an executive for any of these types of awards, the rating official completes a TSES Performance Award Recommendation Form and attaches it to the original of the executive's TSES Performance Plan document.

(a) The documentation on the TSES Performance Award recommendation form should highlight the executive's outstanding accomplishments in the performance elements mandated by the Department as well as program-specific performance elements.

(b) The documentation for the award recommendations should provide a brief general discussion of the executive's achievements rather than a lengthy justification addressing each performance element.

(c) Following review of both the initial rating and award recommendation the PRB will make a recommendation to the Administrator who will make the final decision on both the rating and the bonus. Bonuses are paid in lump sum payments.

(d) The PRB will approve bonuses only for those TSES members who are recommended by their associate Administrators/equivalent officials. The PRB reserves the right to raise or lower bonus accomplishment of the performance elements.

(e) Pay adjustment may be made only once in a 12 month period. Setting pay upon initial appointment to the TSES is considered a pay adjustment. Pay adjustments may only be made for those TSES members with a final summary rating of Meets Expectations.